



U.S. SENATE BANKING COMMITTEE

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Statement of Chairman Dodd on Federal Reserve's Policy Action

Washington, D.C. – Senator Chris Dodd (D-CT), Chairman of the Senate Banking Committee, today made the following remarks in reaction to the Federal Reserve's decision to cut interest rates by a quarter-point:

“Today's action by the Fed clearly indicates that the problems that originated in the sub-prime mortgage market continue to reverberate through the financial system and the broader economy. Just as the Fed has a duty to manage monetary policy in times of turmoil, so, too, does it have a duty to protect homebuyers from unfair and deceptive practices. The Fed has failed to adequately carry out this duty over the past 13 years by failing to meet its obligations under the Home Ownership and Equity Protection Act (HOEPA). It is my hope that the Fed's upcoming HOEPA proposal will represent a substantial change in approach by the Fed. As a regulator, no less than as a monetary policymaker, the Fed must address the serious problems in the mortgage market which are at the root of the broader economic challenges that our nation now faces.”